


**MEETING OF THE BUSINESS AFFAIRS COMMITTEE
OF THE BOARD OF TRUSTEES
Community College of Philadelphia
Wednesday, June 18, 2014 – 9:00 A.M.**

TO: Business Affairs Committee of the Board of Trustees
FROM: James P. Spiewak 
DATE: June 12, 2014
SUBJECT: **Committee Meeting**

AGENDA PUBLIC SESSION

A meeting of the Business Affairs Committee of the Board of Trustees will be held on **Wednesday, June 18, 2014 at 9:00 A.M.** in the College's Isadore A. Shrager Boardroom, M2-1.

(1) 2014-15 Property and Casualty Insurance Renewal Program (Action Item):

Introduction

The College insurance program is reviewed annually prior to the July 1 renewal. During the renewal strategy meeting held on February 25, 2014, it was decided that since the College had marketed its program in the two previous years, Willis (the College's current Broker) would approach the incumbent carriers with the intent of securing identical (or better) coverages at premiums close to expiring. This strategy was effective as the overall increase in insurance premiums will be \$19,770 or a 2.3% increase.

General Liability

The College's general liability coverage has been with United Educators (UE) for thirteen years. Willis has opined that UE has the best General Liability (GL) policy form available in the higher education market offering the most comprehensive coverage. United Educators offered a renewal premium of \$160,942 which is \$7,664 or 5% higher than the expiring rate with no change to the deductibles (\$25,000 each occurrence; \$100,000 annual aggregate). The College was again granted a 4% premium rate credit based upon certain risk management initiatives that were undertaken during the year. Furthermore, the College is entitled to a dividend of \$11,308 from United Educators if at least one coverage line (GL or Umbrella) is renewed. This, in effect, makes the net cost to the College for fiscal year 2014-15 equal to \$149,634. United Educators is organized as a reciprocal risk retention group – owned by its members like CCP; this would be the third consecutive year that the College will have received a dividend. The 4-year aggregate dividend to the College totals \$65,113.

Umbrella

The College's umbrella liability coverage (\$25 million for any one loss) has also been with United Educators for thirteen years. UE's policy form offers the most comprehensive coverage in the higher education market for umbrella/excess coverage according to Willis. United Educators offered a renewal rate of \$84,539 which is \$2,463 or 3% higher than the previous year's premium. This policy also sits on top of the \$1 million coverage for student medical malpractice insurance. It also provides excess general liability, automobile liability, employers' liability and foreign liability insurance. As with the general liability policy, the College was granted a 4 percent premium reduction based upon certain risk management initiatives that were undertaken during the year.

Workers' Compensation

The College's workers' compensation coverage has been with Highmark for the past year. They offered a renewal premium of \$336,764, an increase of 1% or \$3,629 over the expiring premium. The College continues to have a relatively low experience and the College's experience modification factor decreased from .886 to .846, a decrease of 5%. The Human Resources Office and the College's Safety Committee continue to review all work-related claims and offer recommendations and training efforts where needed. The College's Safety Committee again received re-certification from the PA Department of Labor; this automatically makes the College eligible for a 5 percent reduction in premium.

Property

Since the College had recently moved its property coverage to Affiliated FM two years ago, it was decided that this coverage would not be marketed provided stable premiums were offered. Affiliated quoted a rate of \$171,258 or \$1,097 (1%) above the expiring premium. This policy also provides \$7 million of business interruption insurance.

Educator Legal Liability

The ELL policy provides management liability protection (\$15 million limit with a \$75,000 retention) for the College's Board of Trustees and the Foundation's Board of Trustees, employment practices liability, employed lawyers liability and professional liability for faculty and staff. AIG, the incumbent carrier, provided a quote of \$85,698 that is 6% or \$4,619 higher than the expiring premium. Willis also approached United Educators, but the premium was higher.

Automobile

The incumbent carrier, Philadelphia Insurance Co., offered a renewal rate of \$17,796 which is \$495 or 3% higher than the prior year. Hartford, Harleysville, Fireman's Fund and Travelers were also approached by Willis but these carriers

would only provide automobile policies if they had another more substantial line of business included, such as general liability or workers' compensation. The automobile policy covers employees driving College owned, rented or hired vehicles as well as providing collision and comprehensive coverages for the College's Facilities' trucks, one sedan and the mailroom van.

Student Medical Malpractice

CNA offered a quote of \$7,856 that is \$411 or 5% lower than the expiring premium. The College again received rate reductions for being a long-term client (4+ years) and for having no claims during the most recent four-year period. The number of students participating in clinical settings affects the cost of this insurance. This policy provides \$1 million in coverage to the College and to students and faculty related to their activities in a clinical setting.

Crime

Travelers, the incumbent carrier, offered a renewal rate of \$5,000 that is \$304 or 6 % above the expiring rate. Travelers offered this rate based upon their opinion that the College had strong existing internal control features to prevent employee theft. This policy provides the College with protection against 1st party (employee) theft and 3rd party theft and fraud for a limit of \$4 million.

International Liability

This policy was last marketed for the 2012-13 fiscal year and a three-year policy was purchased from AIG. This policy provides foreign-based general liability, automobile liability, and workers compensation coverage as well as travel, medical and security assistance services for faculty and staff traveling abroad. This policy also includes kidnap and extortion coverage. The annual cost for this coverage is \$2,851, which is the same as the prior year.

Security and Privacy (Cyber Insurance)

The College first secured this line of coverage for the 2011-2012 fiscal year. This insurance offers protection to the College if there were data security breaches or compromises of student and/or employee "private" information (as determined by federal and state jurisdiction). The carrier will provide forensic and legal assistance from a panel of experts to help determine the extent of the breach and the steps required to comply with applicable laws, include the following: notification to persons who must be notified under applicable law; offer 12 months of 3-bureau credit monitoring to affected individuals; identify theft-related fraud resolution services for individuals enrolled in credit monitoring who become victims of identity theft; and extend coverage for theft, loss or unauthorized disclosure of information held by business associates as defined by HIPPA. First party benefits include protection for data recovery and business interruption, extortion threats and regulatory defense and penalties. The policy also protects the College against 3rd party legal action for damages arising from the alleged breach (including defense

costs). The renewal quote received from AIG, is \$17,325, the same as the expiring premium. AIG's policy also does not contain an exclusion related to portable devices and data that is not encrypted.

Broker Fee

The annual fee for 2014-15 is \$50,000, the same as last year, in accordance with the three-year agreement with Willis entered into in 2012-13.

Recommendation

College staff, after carefully considering the available options internally and with its broker representatives, recommends that the College procure insurance as detailed below.

<u>Coverage</u>	<u>Carrier</u>	<u>Renewal (2014-15) Premium</u>	<u>Expiring (2013-14) Premium</u>
General Liability (\$1M)	United Educators	\$160,942	\$153,278
Umbrella (\$25M)	United Educators	84,539	82,076
Workers' Compensation	Highmark	336,764	333,135
Property	Affiliated FM	171,258	170,161
Educators Legal Liability (\$15M)	AIG	85,698	81,079
Automobile	Phila. Insurance Co.	17,796	17,301
Student Medical Professional Liability (\$1M)	CNA	7,856	8,267
Crime (\$4M)	Travelers	5,000	4,696
International Liability	AIG	2,851	2,851
Security & Privacy (\$1M)	AIG	17,325	17,325
Travel Accident		1,350	1,350
TOTAL INSURANCE PREMIUMS		\$891,379	\$871,519
Broker Fee	Willis	\$ 50,000	\$ 50,000

Committee recommendation to the full Board of the above 2014-15 insurance program with a total cost, including broker fee, of \$941,379 is recommended.

(2) Payment Gateway RFP (Action Item):

A payment gateway is an e-commerce solution that enables students and other interested parties to make payments securely online with credit cards, debit cards, and by e-check. The payment gateway integrates directly with Banner Information Systems, the enterprise resource planning software utilized by the College, to allow tuition and fee payments to be posted real-time in student accounts. The agreement with the College's current payment gateway provider expires on June 30, 2014, at which time the College will be on a month to month agreement.

On March 19, 2014, the College issued a Request for Proposal to solicit responses for a new payment gateway provider. The College received six (6) responses for review. A committee of College administrators comprised of representatives from IT, Finance, Bursar, Financial Aid, and Purchasing served on the evaluation team. Heartland Campus Solutions ECSI met or exceeded the minimum requirements of the RFP and offered the most effective cost savings to the College and students (see attached cost matrix). Heartland Campus Solutions ECSI is a leading provider of electronic payment solutions providing support to more than 300,000 merchants world-wide. On Tuesday, May 29, 2014, Heartland Campus Solutions ECSI held a presentation for the evaluation committee.

Currently, students at the College pay a \$12.00 convenience fee per credit/debit card transaction. The College subsidizes an additional \$1.50 per transaction bringing the total cost of the convenience fee to \$13.50 per transaction. Students who take advantage of e-Check to make payments are not subject to a convenience fee. However, the College incurs a convenience fee of \$1.75 per e-Check transaction. Heartland Campus Solutions ECSI's proposal reduces the convenience fee to \$9.00 per credit/debit card transaction and provides e-Check transactions for free, that is, at no cost to students or the College. This represents a savings of \$52,218 for students and \$42,786 to the College. In addition to cost savings, Heartland Campus Solutions ECSI offers the following key enhancements:

- Mobile POS (devices that accommodate in-person payments for special events)
- The ability to accept international credit/debit card payments
- The ability to schedule/edit/cancel future payments, as well as, store payment profiles
- 24/7/365 days customer service support to students and the College
- Address verification for credit/debit card transactions to reduce the potential for fraud
- The ability to distinguish credit card from debit card transactions for Durbin Amendment pricing

- PCI Level 1 and PA-DSS Compliant to protect customer data

Contained within Attachment B is the fee rate schedule which is fixed for years one through three.

Staff request Board approval to enter into a three-year contract with Heartland Campus Solutions ECSI.

(3) Capital Request for West Building Projects (Action Item):

At the April, 14, 2004 Business Affairs Committee meeting, staff recommended and received approval for up to \$300,000 of construction, professional services and outfitting costs associated with the West Building Projects to be charged against the fiscal year 2013-14 capital budget. At that time it was noted that the exact amount will be based upon the completed, stored and billed work as of June 30, 2014 with the remaining costs incorporated into the capital budget for fiscal year 2014-15. The contractor's work efforts are ahead of the construction timeline so more costs will be incurred as of June 30, 2014 than previously projected.

Staff ask approval to increase the amount of construction, professional services and outfitting costs associated with the West Building Projects to be charged against the fiscal year 2013-14 capital budget to a level up to \$650,000.

(4) Change Order for Garage Repairs (Action Item):

The parking garage is undergoing renovations addressing structural issues. During these renovations electrical wire ways, which are embedded within the concrete structures, and the circuits within them, have been identified as severely deteriorated and the cause of repeated electrical faults effecting lights and general utility services being used during restorations. This issue is particularly problematic on three ramps which suffered extensive water infiltration failures. Electrical contractors have reviewed possible solutions and have recommended an alternate to embedded wireways, suggesting surface mounted wireways and devices, mounted in such a manner as to lie intentionally "uphill" from any potential water source. The failed wireways will be abandoned in-place. Pricing is based on a per ramp effort as each ramp is on a dedicated branch of the service provided to the garage. This pricing is \$23,800 per ramp, for a proposed total of \$71,400. Staff recommend the authorization of this increased scope to Watts Restoration, Inc.

(5) Next Meeting Date

The next regularly scheduled meeting of the Committee will occur on Wednesday, September 17, 2014 at 9:00 A.M. in the College's Isadore A. Shrager Boardroom, M2-1.

TRH/lm

Attachments

c: Mr. Matthew Bergheiser
Dr. Judith Gay
Mr. William Finn
Mr. Harry Moore
Mr. Todd Murphy
Mr. James P. Spiewak
Jill Garfinkle Weitz, Esq.

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ATTACHMENT A

**SUMMARY 2014-15 PROPERTY AND CASUALTY INSURANCE
PROGRAM COVERAGE LIMITS AND DEDUCTIBLE AMOUNTS**

Property Coverage Comparison

PROPERTY AND BOILER & MACHINERY	AFFILIATED FM EXPIRING 2013 TO 2014	AFFILIATED FM RENEWAL 2014 TO 2015
Limits		
Blanket Limit (Property Damage – Real & Personal Property)	\$356,197,286	\$357,420,786
Sub-Limits		
Blanket Business Interruption	\$7,000,000	\$7,000,000
Extra Expense – The company will pay the greater of the sub- limit or 15% of the reported annual Business Interruption values	\$5,000,000	\$5,000,000
Earth Movement (Annual Aggregate, for all coverages provided)	\$100,000,000	\$100,000,000
Flood (Annual Aggregate, for all coverages provided)	\$100,000,000	\$100,000,000
Machinery Breakdown	Included	Included
430 – 440 N. 15 th Street Building	\$4,500,000 Building Vacancy Clause Applies	\$4,500,000 Building Vacancy Clause Applies
Extensions of Coverage		
Sub-Limits		
Fire Fighting Materials and Expenses	\$100,000	\$100,000
Professional Fees	\$100,000	\$100,000
Expediting Expenses	\$250,000	\$250,000
Trees, Shrubs, Plants and Lawn limit	\$100,000 (\$1,000 per item)	\$100,000 (\$1,000 per item)
Pavements and Roadways	\$1,000,000	\$1,000,000
Land and Water Clean Up Expense (Annual Aggregate, for all coverages provided)	\$50,000	\$50,000
Installation Floater	\$250,000	\$250,000
Newly Acquired Property	\$2,500,000	\$2,500,000
Unnamed Locations Coverage	\$2,500,000	\$2,500,000
Unnamed Locations World-Wide	\$1,000,000	\$1,000,000
Fine Arts	\$1,500,000	\$1,500,000
Accounts Receivable	\$1,000,000	\$1,000,000
Valuable Papers and Records	\$1,000,000	\$1,000,000
Library Books	\$5,000,000 not to exceed \$100 per book	\$5,000,000 not to exceed \$100 per book
Electronic Data Processing, Data and Media	\$3,000,000	\$3,000,000
Demolition and Increased Cost of Construction		
<ul style="list-style-type: none"> • Undamaged Portion • Demolition • Compliance with the Law 	Policy Limit \$10,000,000 Included in Demolition Included in Demolition	Policy Limit \$10,000,000 Included in Demolition Included in Demolition

PROPERTY AND BOILER & MACHINERY	AFFILIATED FM EXPIRING 2013 TO 2014	AFFILIATED FM RENEWAL 2014 TO 2015
Errors and Omissions	\$1,000,000	\$1,000,000
Transit Coverage	\$1,000,000	\$1,000,000
Tenants Legal Liability and Expenses	\$500,000	\$500,000
Soft Costs	\$100,000	\$100,000
Research Experiments	Included	Included
Research Animals	\$250,000 not to exceed \$1,000 per animal	\$250,000 not to exceed \$1,000 per animal
Personal Property of Students and Teachers not to exceed a limit of \$10,000 Per Student or Teacher (Annual Aggregate, for all coverages provided)	\$1,000,000	\$1,000,000
Terrorism	Policy Limit	See below
Business Interruption – Extensions of Coverage Sub-Limits		
Days of Ordinary Payroll	90 Days	90 Days
Days of Civil Authority	30 Days	30 Days
Off-Premises Service Interruption	\$2,500,000	\$2,500,000
Contingent Business Interruption	\$500,000	\$500,000
Ingress/Egress	\$1,000,000	\$1,000,000
Extended Period of Indemnity	365 days	365 days
Deductibles:		
Earth Movement (per occurrence for each location for all coverages provided)	\$100,000	\$100,000
Flood (per occurrence for each location for all coverages provided)	\$100,000	\$100,000
Off-Premises Service Interruption Qualifying Period	24 Hours	24 Hours
430-440 N. 15 th Street Building	\$50,000	\$50,000
All Other Losses	\$25,000	\$25,000
Premium	\$180,189	\$181,444
Certified Act of Terrorism	\$10,000	\$10,036
Engineering Fee	\$8,500	\$8,500
Commission	15% minus engineering fee	15% minus engineering fee
Net Commission	\$170,161	\$171,258
Payment Terms	Upfront	Upfront

General Liability Coverage Comparison

An important note – UE is offering a dividend to their renewing members this year. CCP will be eligible for \$11,307.68 if you renew at least one line of coverage with UE.

GENERAL LIABILITY	UNITED Ed EXPIRING 2013 TO 2014	UNITED Ed RENEWAL 2014 TO 2015
Limits of Liability		
General Aggregate	\$3,000,000	\$3,000,000
Each Occurrence	\$1,000,000	\$1,000,000
Fire Damage Legal Liability	\$1,000,000	\$1,000,000
Medical Expenses Per Person	\$5,000	\$5,000
Deductible		
Property Damage	\$0	\$0
Each Occurrence	\$25,000	\$25,000
Annual Aggregate	\$100,000	\$100,000
Coverages		
Defense Costs are in addition to the Limits of Liability	Yes	Yes
Premises/Operations	Yes	Yes
Products/Completed Operations	Yes	Yes
Independent Contractors	Yes	Yes
Blanket Contractual Liability	Yes	Yes
Personal & Advertising Injury	Yes	Yes
Personal Injury – Non-employment sexual harassment coverage	Yes	Yes
Premises Medical Payments	Yes	Yes
Liquor Liability	Yes	Yes
Premises Non-Owned Automobile Liability	Yes	Yes
Mobile Equipment	Yes	Yes
Broad Form Property Damage	Yes	Yes
Watercraft (no submersible) up to 50 feet and rowing shells regardless of length	Yes	Yes
Additional Coverages/Extensions		
Amendment of Pollution Exclusion – smoke from hostile fire, pollution from HVAC, application of pesticide & herbicides	Yes	Yes
Sudden and Accidental Above Ground Pollution (including bodily injury in laboratories)	Yes	Yes
Additional Insured – (blanket wording – anyone whom you are required by written contract to include as additional insured)	Yes	Yes
Allied Health Services provided at student infirmaries are included if the services are provided by an employee of the educational	Yes	Yes

GENERAL LIABILITY	UNITED ED EXPIRING 2013 TO 2014	UNITED ED RENEWAL 2014 TO 2015
institution who is a registered nurse, licensed practical nurse, licensed or certified athletic trainer, nurse practitioner or other allied health personnel		
Joint Venture Coverage	Yes	Yes
Punitive Damages included where insurable by Law	Yes	Yes
"Temporary" Employees are included as Insureds	Yes	Yes
Uncompensated volunteers are included as Insureds at the discretion of the Institution	Yes	Yes
Mental Anguish is included as Bodily Injury	Yes	Yes
Corporal Punishment, sexual assault / molestation coverage (perpetrator excluded)	Yes	Yes
Athletic Events (including liability for participants)	Yes	Yes
Worldwide Territory, including incidental foreign Hired / non-owned automobile coverage	Yes	Yes
Foreign Terrorism / Foreign Hostilities Exception	Yes	Yes
Broadened Knowledge of Occurrence	Yes	Yes
Amend Definition of Occurrence Endorsement	No	Yes
90days Notice of Cancellation	Yes	Yes
Premium	\$159,666	\$167,648
RMPC Credit	(\$6,387)	(\$6,706)
Total Policy Cost	\$153,279	\$160,942
Commission	0%	0%
Payment Terms	Upfront	Upfront

Subjectivities:

1. Please provide contact information for the appropriate person to coordinate required reporting for Medical service payments. (*Has been Agnes Trummer in the past*)
2. Signed GL signature page.
3. Updated contact information sheets.
4. Listen 2 UE Roundtables or Webinars for the 4% RMPC

Automobile Coverage Comparison

BUSINESS AUTOMOBILE	PHILADELPHIA INS. CO. EXPIRING 2013-2014	PHILADELPHIA INS. CO. RENEWAL 2014-2015
Limits of Liability		
Combined Single Limit (BI & PD per Accident) – Symbol 1	\$1,000,000	\$1,000,000
Personal Injury Protection – Symbol 5	Statutory	Statutory
Added Personal Injury Protection – Symbol 5	Maximum	Maximum
Uninsured Motorist – Symbol 2	\$1,000,000	\$1,000,000
Underinsured Motorist – Symbol 2	\$1,000,000	\$1,000,000
Physical Damage		
Comprehensive Deductible – Symbols 2, 8	\$500	\$500
Collision Deductible – Symbol 2, 8	\$1,000	\$1,000
Hired/Borrowed Car Physical Damage	ACV or repair or replacement of the vehicle, whichever is less	ACV or repair or replacement of the vehicle, whichever is less
GarageKeepers Liability	\$50,000	\$50,000
Comprehensive Deductible	\$500 each accident \$2,500 aggregate	\$500 each accident \$2,500 aggregate
Collision Deductible	\$500	\$500
Additional Coverages/Extensions		
Rental Reimbursement Coverage (up to \$100 a day for up to 30 days)	Yes	Yes
Additional and Combination First Party Benefits – \$277,500	Yes	Yes
Hired Autos Specified as covered autos you owned – CA9916	Yes	Yes
Broadened Pollution Liability Coverage	No	No
Employees as Insureds (include employee rentals in their name on company business)	Yes	Yes
Fellow Employee Exclusion Deleted for managers and above	Yes	Yes
Towing and Labor (\$100 per disablement)	Yes	Yes
Blanket Additional Insured Lessor	Yes	Yes
Unintentional Errors & Omissions	Yes	Yes
Broad Named Insured Wording	Yes	Yes
Broadened Notice of Occurrence	Yes	Yes
Broadened Knowledge of Occur.	Yes	Yes
60 Days- Notice of Cancellation	Yes	Yes
Transfer Rights of Recovery Endorsement	Yes	Yes
Number of Power Units	6	6
Premium	\$17,301	\$17,796
Commission	0%	0%
Payment Terms	DIRECT-25% Down and 9 Equal Installment	DIRECT-25% Down and 9 Equal Installment

Workers Compensation Coverage Comparison

WORKERS' COMPENSATION	HIGHMARK EXPIRING 2013 TO 2014	HIGHMARK RENEWAL 2014 TO 2015
Limits of Liability		
Workers' Compensation	Statutory	Statutory
Employer's Liability Each Accident	\$500,000	\$500,000
Employer's Liability Disease Aggregate	\$500,000	\$500,000
Employer's Liability Disease Each Employee	\$500,000	\$500,000
Coverages/Extensions		
Other State Insurance (applies in all states except Monopolistic States)	Only PA but can write in MD and NJ on an incidental basis	Only PA but can write in MD and NJ on an incidental basis
PA Modification Factor	.886	.846
Payroll	\$78,480,000	\$79,487,000
Premium Information	Subject to Audit	Subject to Audit
Plan Type	Guaranteed Cost	Guaranteed Cost
Premium	\$333,135	\$336,774
Commission	0%	0%
Net Commission	\$333,135	\$336,774
Payment Terms	10 Payments-10% Deposit w/ balance in 9 equal monthly payments	10 Payments-10% Deposit w/ balance in 9 equal monthly payments

Conditions for Binding

- Cooperation with Highmark Casualty's Loss Control consultants to improve safety and mitigate losses.
- Willingness and ability to accommodate modified duty restrictions when necessary. Signature required on the attached "Return to Work" commitment letter. *Can utilize CCP Revised Letter that CCP prepared last year.*
- Cooperation with Highmark Managed Care and implementation of physician panel with acknowledgment forms signed by all employees.
In regards to signing Employee Acknowledgement forms, if a client currently has a physician panel posted they would not be required to have employees sign the Employee Acknowledgement of Rights and Responsibilities. There are two additional times that the Employee Acknowledgement must be signed -- the time of hire and time of injury. It would be CCP's responsibility to have the employees sign this document no matter if they treat with Worknet or another provider on the panel.
- Cooperation with Highmark preferred legal firms. *Same firms as last year*

Excess Liability Coverage Comparison

EXCESS LIABILITY	UNITED ED EXPIRING 2013 TO 2014	UNITED ED RENEWAL 2014 TO 2015
Limits of Insurance		
Each Occurrence	\$25,000,000	\$25,000,000
Annual Aggregate Limit for:	\$25,000,000	\$25,000,000
(i) Product Liability		
(ii) Completed Operations Liability		
(iii) Employee Occupational Disease Liability		
Sexual Molestation	\$25,000,000	\$25,000,000
Underlying Limit Retention	\$1,000,000	\$1,000,000
Inception Date	July 1, 2000	July 1, 2000
Maintenance Deductible	\$10,000 per drop down coverage	\$10,000 per drop down coverage
Underlying Insurance Aggregate Exhaustion:		
▪ Employers Liability	Yes	Yes
▪ Professional Liability (student blanket)		
▪ General Liability		
▪ Foreign Liability		
Coverage/Extensions		
"Pay on Behalf of"	Yes	Yes
Defense Costs are inside the Limits of Liability		
Worldwide Territory	Yes	Yes
Pollution – follow Form to Primary Policies	Yes	Yes
Athletic Event Liability – Including Injury to Participants	Yes	Yes
Professional Liability of Employees in the student health services	Yes	Yes
Security Forces Liability	Yes	Yes
Sudden and Accidental above ground pollution (including bodily injury in laboratories)	Yes	Yes
Liquor Liability – Host & Licensed Sales	Yes	Yes
Watercraft (non-submersible) under 26 feet and rowing shells	Yes	Yes
Corporal Punishment, sexual assault / molestation (perpetrator excluded)	Yes	Yes
Punitive Damages included where insurable	Yes	Yes
90 Days -Notice Cancellation	Yes	Yes
Premium	\$85,496	\$88,061
RMPC Credit	(\$3,420)	(\$3,522)
Total Policy Cost	\$82,076	\$84,539
Payment Terms	Upfront	Upfront

Additional Limit Options

Limit	\$30,000,000	\$35,000,000	\$40,000,000
Premium	\$98,628	\$102,150	\$105,672
RMPC	(\$3,945)	(\$4,086)	(\$4,227)
Total	\$84,683	\$98,064	\$101,445

Educators Legal Liability Coverage

EDUCATORS LEGAL LIABILITY	AIG EXPIRING 2013 TO 2014	AIG RENEWAL 2014 TO 2015
Limits of Liability		
D&O and Not-for-Profit Organization	\$15,000,000	\$15,000,000
Crisis Management Fund for D&O	\$50,000	\$50,000
Employment Practices	\$15,000,000	\$15,000,000
Employed Lawyers	\$5,000,000	\$5,000,000
Policy Aggregate (Shared limit of Liability between D&O, EPL & Employed Lawyers)	\$15,000,000	\$15,000,000
Side A Excess Limit	\$500,000	\$500,000
Self-Insured Retention (per claim) (including defense cost)		
Non-Indemnifiable directors, trustees & officers	\$0	\$0
Crisis Management Event	\$0	\$0
Non-employment Discrimination claims (EPL coverage section)	\$75,000	\$75,000
Employed Lawyers coverage section	\$10,000	\$10,000
All other claims	\$75,000	\$75,000
Continuity Date : D&O and EPL	07/01/1998	07/01/1998
Continuity Date : Employed Lawyers	07/01/2007	07/01/2007
Defense Counsel Provisions	AIG Counsel	AIG Counsel
Duty to Defend	Optional Duty to Defend	Optional Duty to Defend
Coverages/Extensions		
Defense Costs are included within the limit of liability	Yes	Yes
Directors & Officers Liability, Educational Errors & Omissions and Employment Practices Liability	Yes	Yes
Punitive Damages where insurable by law	Yes – Included in Policy Limit	Yes – Included in Policy
60 days Post Policy Reporting Allowance	Yes	Yes
30 days Notice of Cancellation	Yes	Yes
Notable Exclusions		
Illegal or unjust profit	Yes	Yes
ERISA Liability	Yes	Yes
Insured vs. Insured	Yes	Yes
Professional Services (other than education or teaching and employed attorneys)	Yes	Yes
Bodily Injury, death, Mental Injury or Emotional Distress (Exception to Mental Injury of Emotional Distress arising from Wrongful Employment)	Yes	Yes

EDUCATORS LEGAL LIABILITY	AIG EXPIRING 2013 TO 2014	AIG RENEWAL 2014 TO 2015
practices)		
Property Damage or Destruction	Yes	Yes
Assault or Battery	Yes	Yes
Contractual Exclusion – carve out: <ul style="list-style-type: none"> ▪ liability that would have existed in the absence of a contract ▪ tenure and peer review ▪ Defense Cost ▪ Educational Services 	Yes	Yes
Collective Bargaining	Yes	Yes
Outside Directorship (excepting those not-for-profit organizations)	Yes	Yes
Fair Labor Standards Acts or similar law (except for the Equal Pay Act, or any retaliation for exercising any rights or duties under any such laws)	Yes	Yes
Final Adjudication for all conduct Exclusions	Yes	Yes
Severability for all conduct Exclusions	Yes	Yes
Moonlighting Exclusion (Employed Lawyers Section)	Yes	Yes
Miscellaneous Endorsements		
Severability of the Application	Yes – full severability of Insureds / Top 3 CCP positions imputed to the Institution	Yes – full severability of Insureds / Top 3 CCP positions imputed to the Institution
Non-Rescindable	Yes	Yes
Order of Payments	Yes	Yes
Settlement Opportunity End. D&O and EPL	80% carrier / 20% insured	80% carrier / 20% insured
Claim Definition Amended – Delete EEOC ¹	Yes	Yes
Payment Plan	Upfront	Upfront
Premium	\$95,951	\$101,417
Commission	15.5%	15.5%
Net Premium	\$81,079	\$85,698

¹ We revisit this endorsement each year – under the EPLI Section the definition of a Claim is amended to not include EEOC or OFCCP proceedings or investigations, however any civil lawsuit brought by the EEOC or OFCCP should be considered under the definition of a claim.

United Educators Pricing Indications (completed UE application needed)

Limit	\$15,000,000	\$20,000,000	\$25,000,000
Retention	\$100,000	\$100,000	\$100,000
Premium	\$149,872	\$153,407	\$157,204

AIG Subjectivities (need prior to binding)

1. Completed, signed, and dated AIG application, if purchasing FLI complete section if not need signature page
2. Did you send the proper notifications to the students for the discontinued degrees
3. Are the students able to transfer their credits to another degree
4. Each year your net loss is growing, what actions are being taken to address this concern?

Additional Coverage Options

Coverage	Fiduciary
Limit	\$1,000,000
Retention	\$25,000
Premium	\$7,186
Commission	15.5%

Crime Coverage Comparison

CRIME COVERAGE	TRAVELERS RENEWAL 2013 TO 2014	TRAVELERS RENEWAL 2014 TO 2015
Limits of Liability (per occurrence)		
Employee Theft	\$4,000,000	\$4,000,000
ERISA	\$4,000,000	\$4,000,000
Forgery or Alteration	\$4,000,000	\$4,000,000
On Premises	\$4,000,000	\$4,000,000
In Transit	\$4,000,000	\$4,000,000
Money Orders and Counterfeit Paper Currency	\$4,000,000	\$4,000,000
Computer Fraud	\$4,000,000	\$4,000,000
Funds Transfer Fraud	\$4,000,000	\$4,000,000
Claims Expense	\$50,000	\$50,000
Deductibles (per occurrence)		
Each Loss	\$40,000	\$40,000
Except ERISA and Claims Expense	\$0	\$0
Coverages/Extensions		
Employee Benefit Plan included as Insured/ERISA Compliance (Omnibus wording)	Yes	Yes
Definition of Employee: any natural person while in your services whom you compensate, whom you have direct control while performing services for you.	Yes	Yes
Loss will be covered up to one year after policy termination	Yes	Yes
60 days Notice of Cancellation	Yes	Yes
Protected Information Exclusion	Yes	No
Indirect Or Consequential Loss Exclusion	Yes	Yes
Tenant's Property Endorsement	\$1,000,000 Limit Retention-\$10,000	\$1,000,000 Limit Retention-\$10,000
Premium	\$6,060	\$6,451
Commission	22.5%	22.5%
Net Premium	\$4,696	\$5,000
Payment Terms	Upfront	Upfront

Subjectivities

1. Travelers Renewal application

Student Blanket Professional Liability

STUDENT BLANKET PROFESSIONAL LIABILITY	CNA EXPIRING 2013 TO 2014	CNA RENEWAL 2014 TO 2015
Limits of Liability		
Each Loss	\$1,000,000	\$1,000,000
Each Policy Period	\$5,000,000	\$5,000,000
Deductible	Nil	Nil
Coverages/Extensions		
Coverage for Actual or Alleged Medical Incidents	Yes	Yes
Faculty included as an Additional Insured while instructing / supervising students	Yes	Yes
Entity / Educational Organization as an Additional Insured	Yes	Yes
Defense Cost	Outside the limits of Liability	Outside the limits of Liability
Personal Injury Protection	Covered claims arising from charges of privacy violation, slander, libel, assault and battery and other alleged personal injuries.	Covered claims arising from charges of privacy violation, slander, libel, assault and battery and other alleged personal injuries.
School Grievance / Disciplinary Hearing	Up to \$1,000 per proceeding Up to \$10,000 aggregate	Up to \$1,000 per proceeding Up to \$10,000 aggregate
Damage to Property of Others	Up to \$250 per incident Up to \$10,000 aggregate	Up to \$250 per incident Up to \$10,000 aggregate
Assault Coverage	Covered Medical Expense or reimburses for damages to your property up to \$25,000 aggregate, up to \$1,000 per incident	Covered Medical Expense or reimburses for damages to your property up to \$25,000 aggregate, up to \$1,000 per incident
Medical Payments	Up to \$100,000 aggregate Up to \$2,000 per person	Up to \$100,000 aggregate Up to \$2,000 per person
First Aid Expenses	Up to \$25,000 aggregate Up to \$500 per incident	Up to \$25,000 aggregate Up to \$500 per incident
Defendant Expense Benefit	Up to \$10,000 aggregate for lost wages and covered expenses	Up to \$10,000 aggregate for lost wages and covered expenses
Deposition Representation	Up to \$5,000 aggregate	Up to \$5,000 aggregate
Number of Students	782	743
Premium	\$8,267	\$7,856
Willis Commission	0%	0%
HPSO Commission	40%	40%
Payment Terms	Prepaid	Prepaid

Security & Privacy Liability

SECURITY & PRIVACY	AIG RENEWAL 2013-14	AIG RENEWAL 2014-15
Limits of Liability		
Policy Type	Claims Made & Reported	Claims Made & Reported
Policy Aggregate	\$1,000,000	\$1,000,000
Security & Privacy Liability <ul style="list-style-type: none"> • Per Claim • Annual Aggregate 	\$1,000,000	\$1,000,000
Regulatory Compliance	\$1,000,000	\$1,000,000
Security and Privacy Retention	\$25,000	\$25,000
Data Breach Expenses:	Event Management Insurance	Event Management Insurance
	Event Management Insurance Aggregate: \$250,000 \$250,000 (for 1.2.5,6 and 7) AND 250,000 individuals – Subject to a minimum affected persons of 250 (for 3 and 4) 1. Forensic Investigation 2. Public Relations 3. Notification Expenses 4. Credit Monitoring Services/ Identity Theft Assistance 5. Other Services (upon approval) 6. To Restored, Recreate and Recollect Electronic Data 7. To Determine if Electronic Data can be restored, recreated or recollected	Event Management Insurance Aggregate: \$250,000 \$250,000 (for 1.2.5,6 and 7) AND 250,000 individuals – Subject to a minimum affected persons of 250 (for 3 and 4) 1. Forensic Investigation 2. Public Relations 3. Notification Expenses 4. Credit Monitoring Services/ Identity Theft Assistance 5. Other Services (upon approval) 6. To Restored, Recreate and Recollect Electronic Data 7. To Determine if Electronic Data can be restored, recreated or recollected
Data Breach Expense Retentions:	\$10,000	\$10,000
Crisis Management & Public Relations Insurance	\$50,000	\$50,000
Crisis Management Retention	\$0	\$0

SECURITY & PRIVACY	AIG RENEWAL 2013-14	AIG RENEWAL 2014-15
Cyber Extortion Insurance	\$1,000,000	\$1,000,000
<i>Cyber Extortion Retention</i>	\$10,000	\$10,000
1st Part Business Interruption		
1 st Party Business Interruption	\$1,000,000	\$1,000,000
1. Waiting Period	10 Hours	10 Hours
2. Retention	\$25,000 Each Claim	\$25,000 Each Claim
Retroactive Date	7/1/11	7/1/11
Continuity Date		7/1/13
Payment Term:	Up Front	Up Front
Commission	0%	0%
Premium	\$17,325	\$17,325

Subjectivities:

1. AIG SRP Application signed and dated

ATTACHMENT B

RFP ANALYSIS FOR PAYMENT GATEWAY – COST MATRIX

RFP Analysis for Payment Gateway - Cost Matrix

		Pricing (Ascending Order)					
		Current					
<u>General Fees</u>	CCP Model	Heartland	Official Pymts	TMS	NetNet	Higher One	TouchNet
Annual Fee	\$ -	\$ -	\$ -	\$ 7,700.00	\$ 60,000.00	\$ 68,875.00	\$ 38,100.00
Start-up Fee	\$ -	\$ -	\$ -	\$ 6,500.00	\$ 30,000.00	\$ 38,813.00	\$ 19,250.00
Monthly Fee	\$ -	\$ -	\$ -	\$ 100.00	\$ -	\$ -	\$ -
Total General Fees Cost	\$ -	\$ -	\$ -	\$ 15,400.00	\$ 90,000.00	\$ 107,688.00	\$ 57,350.00
<u>Flat Fee Pricing Model</u>							
e-Check Cost Per Transaction	\$ 1.75	\$ -	\$ 1.50	N/A	N/A	N/A	N/A
e-Check Cost Annualized	\$ 16,630.25	\$ -	\$ 14,295.00	N/A	N/A	N/A	N/A
<u>Student Cost:</u>							
CC Cost Per Transaction	\$ 12.00	\$ 9.00	\$ 11.50	N/A	N/A	N/A	N/A
CC Cost Annualized	\$ 208,872.00	\$ 156,654.00	\$ 200,169.00	N/A	N/A	N/A	N/A
<u>College Cost:</u>							
CC Cost Per Transaction	\$ 1.50	\$ -	\$ -	N/A	N/A	N/A	N/A
CC Cost Annualized	\$ 26,109.00	\$ -	\$ -	N/A	N/A	N/A	N/A
Total Annualized Cost	\$ 251,611.25	\$ 156,654.00	\$ 214,464.00	N/A	N/A	N/A	N/A
<u>Percentage Based Model</u>							
CC Cost Per Transaction	N/A	1.9%	2.00%	2.50%	2.75%	2.75%	2.75%
CC Cost Annualized	\$ 209,089.00	\$ 209,089.00	\$ 220,093.68	\$ 275,117.10	\$ 302,628.81	\$ 302,628.81	\$ 302,628.81
e-Check Cost Per Transaction (flat fee)	N/A	\$ -	\$ 1.50	\$ 0.15	\$ -	\$ -	\$ 0.75
e-Check Cost Annualized (flat fee)	N/A	\$ -	\$ 14,295.00	\$ 1,425.45	\$ -	\$ -	\$ 7,127.25
Total Annualized Cost	N/A	\$ 209,089.00	\$ 234,388.68	\$ 276,542.55	\$ 302,628.81	\$ 302,628.81	\$ 309,756.06

*12 month total e-check transactions: 9,503

**12 month total CC transactions: 17,406

***Total CC transaction value: \$11,004,684.82